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IF YOU HAVE SOLD OR TRANSFERRED ALL OF YOUR SHARES IN MAINTEL HOLDINGS PLC YOU SHOULD SEND THIS DOCUMENT AT ONCE, TOGETHER WITH THE ACCOMPANYING FORM OF PROXY, TO THE PURCHASER OR TRANSFEREE, OR THE STOCKBROKER OR OTHER AGENT THROUGH WHOM THE SALE WAS EFFECTED FOR TRANSMISSION TO THE PURCHASER OR TRANSFEREE. HOWEVER, SUCH DOCUMENTS SHOULD NOT BE FORWARDED, TRANSMITTED OR DISTRIBUTED IN OR INTO ANY JURISDICTION WHERE TO DO SO WOULD OR MIGHT CONTRAVENE LOCAL SECURITIES LAW OR REGULATIONS. IF YOU HAVE SOLD ANY PART OF YOUR HOLDING OF ORDINARY SHARES, PLEASE CONTACT YOUR STOCKBROKER OR OTHER AGENT THROUGH WHOM THE SALE OR TRANSFER WAS EFFECTED IMMEDIATELY.

MAINTEL HOLDINGS PLC

(Incorporated in England and Wales under number 3181729)

Amendment of Company's Articles of Association and Notice of General Meeting

You are recommended to read the whole of this document but your attention is drawn, in particular, to the letter to Shareholders which is set out in this document. The letter explains the background to and the reasons for the matters and proposals referred to in this document and contains a recommendation that you vote in favour of the Resolution to be proposed at the General Meeting.

Notice of a General Meeting of Maintel Holdings Plc, to be held at the offices of Cobbetts LLP, 70 Gray's Inn Road, London, WC1X 8BT on 21 October 2011 at 9.00am is set out on pages 8 and 9 of this document. A Form of Proxy for use in connection with the General Meeting is enclosed and should be completed and returned to the Company's Registrar, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, by no later than 9.00am on 19 October 2011. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting in person should they so wish. If you do not send in a valid Form of Proxy or attend the General Meeting in person to vote, no-one else may vote on your behalf.

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“Acquisition”	the Company's proposed acquisition of the whole of Totility's issued share capital
“Articles”	the articles of association of the Company
"Board" or "Directors"	the board of directors of the Company
“Company” or “Maintel”	Maintel Holdings Plc
“Form of Proxy”	the form of proxy enclosed with this document for use by shareholders in connection with the General Meeting
"General Meeting"	the general meeting of the Company convened for 9.00am on 21 October 2011 (or any adjournment thereof)
"Group"	the Company and each other company which is a subsidiary of the Company from time to time
“Independent Directors”	Eddie Buxton, Angus McCaffrey, Dale Todd and Nicholas Taylor, being the directors of the Company who are not considered to be related parties in the context of the Loan
“Loan”	the proposed loan facility of £1.5 million to the Company by John Booth, Chairman of the Company, on the terms of the loan agreement, further details of which are set out in the Letter to Shareholders
"Notice of General Meeting"	the notice of the General Meeting set out on pages 8 and 9 of this document
“Ordinary Shares”	the ordinary shares of 1p each in the capital of the Company
"Resolution"	the resolution to be proposed at the General Meeting as set out in the Notice of General Meeting
"Shareholders"	the holders of Ordinary Shares
“Totility”	Totility Limited, company number 05644966

LETTER TO SHAREHOLDERS OF MAINTEL HOLDINGS PLC
(Incorporated and registered in England with registered number 3181729)

Directors:
John Booth (*Chairman*)
Eddie Buxton (*Chief Executive*)
Angus McCaffery (*Sales and Marketing Director*)
Dale Todd (*Finance Director*)
Nicholas Taylor (*Non-Executive Director*)

Registered Office
61 Webber Street
London
SE1 0RF

4 October 2011

To holders of Ordinary Shares

Dear Shareholder

1. Introduction

The Company has today announced the acquisition of Totility Limited, a specialist UK mobile telecoms provider, subject to the approval by Shareholders of an amendment to the Company's Articles of Association to allow it to partly finance the acquisition by way of borrowings.

The Board has therefore convened a general meeting of the Company to be held at the offices of Cobbetts LLP, 70 Gray's Inn Road, London, WC1X 8BT on 21 October 2011 at 9.00am and I am writing to you to provide details of the matters proposed to be considered and dealt with at the general meeting. The formal notice of the General Meeting is set out on pages 8 and 9 of this document. The purpose of this document is to provide you with the background and reasons why the Independent Directors consider the matters proposed to be in the best interests of the Company and its Shareholders as a whole and why the Independent Directors recommend that you vote in favour of the Resolution to be proposed at the General Meeting.

2. Details on the Acquisition

Subject to approval of the Resolution, the Company will acquire Totility for an initial consideration of £2.83m, with a further consideration of up to £4.0m dependent on Totility's performance in the 12 (in certain limited circumstances 13) months post-acquisition.

The initial consideration will consist of £2.44m in cash, and the issue of 177,778 Ordinary Shares, which had a mid-market price of 217.5p on 28 September.

Further consideration will be paid to the Totility shareholders representing the net asset value of Totility at the date of Acquisition. Assets acquired will principally consist of working capital and recurring, renewal and new revenues arising from the customer bases managed under Totility's contracts with Vodafone and O2.

Totility manages approximately 1,100 customers and 12,000 mobile connections under these contracts, and reported unaudited revenues of £2.3m, gross profit of £1.4m and profit before tax of £1.0m for the year to 31 March 2011. Net assets as at 31 March 2011 were £557,000.

Terry McKeever, the managing director of Totility, will retain that position post-acquisition.

In order to partially finance the Acquisition and to allow the Company to maintain its ability to make other acquisitions of companies or bases as opportunities at appropriate valuations arise, the Company has entered into a conditional loan agreement with John Booth, the Chairman of the Company, whereby Mr Booth would lend the Company up to £1.5m (the "Loan"). The Loan is conditional upon the passing of the Resolution, is unsecured and carries an interest rate of 6.5 per cent. The Loan is repayable by 28 February 2013. Interest will only be payable on that portion of the Loan drawn down.

In order to enter into the loan agreement, shareholders are being asked to approve a change to the Company's Articles to alter its ability to borrow. The meeting to approve the change to the Articles will take place on 21 October 2011 and, assuming the proposals are approved, the Acquisition will complete that day.

3. Benefits of the Acquisition

In addition to continued organic growth of Totility, the Company envisages significant cross-selling opportunities of its own services into Totility's customer base, as well as the sale of mobile services into its own base.

4. Related Party Transaction

The loan from John Booth, as described above, constitutes a related party transaction under the AIM Rules.

The Independent Directors, being Eddie Buxton, Angus McCaffrey, Dale Todd and Nicholas Taylor, who have been so advised by the Company's nominated adviser, finnCap, believe that the terms of the Loan are fair and reasonable so far as the Shareholders are concerned.

5. Resolution to be proposed at the General Meeting

The Articles currently restrict the powers of the Company and its subsidiaries to be able to put in place debt finance and other indebtedness in the nature of borrowings. This is done by capping the amount of permitted borrowings of the Group by reference to a multiple (currently three times) of the amount of the "Adjusted Capital and Reserves" of the Group as calculated in accordance with the Articles. Article 111.2 of the Articles provides that:

"The Board shall restrict the Borrowings of the Company and (so far as within its powers) the borrowings of its subsidiary undertakings so as to procure that the aggregate principal amount at any one time outstanding in respect of Borrowings by the Group (exclusive of money borrowed by one Group Company from another and after deducting cash deposited) shall not at any time, exceed three times the Adjusted Capital and Reserves, or such greater or lesser figure as the Company may from time to time fix by ordinary resolution."

The terms "Borrowings" and "Adjusted Capital and Reserves" are defined in the Articles and, for ease of reference, these definitions are repeated in the Appendix to this document. The Group does not currently have any Borrowings.

"Adjusted Capital and Reserves" means the "Capital and Reserves" of the Group as shown in the Group's latest published audited balance sheet, after making adjustments such as excluding the book value of any intangible assets such as goodwill (see the full definition of "Adjusted Capital and Reserves" set out in the Appendix to this document). The effect of this change to the Articles is, therefore, to increase the amount which the Group may borrow by ignoring the adjustments periodically required to be made pursuant to the definition of "Adjusted Capital and Reserves". On the basis that the Articles are changed and the cap on the Group's Borrowings becomes three times Capital and Reserves then, as at 31 December 2010 (being the date of the last published audited balance sheet of the Group) the Capital and Reserves of the Group were £2.1m which would mean that the Group would be entitled to incur Borrowings of up to £6.3m (being three times Capital and Reserves).

Accordingly, the Board proposes that Article 111.2 be amended so that the cap on Borrowings is not a multiple of Adjusted Capital and Reserves but becomes a multiple of Capital and Reserves. In order to make this amendment to the Articles, the Board has proposed the Resolution to be considered at the General Meeting and which is set out in the Notice of General Meeting contained in this document.

6. Action to be taken

You are entitled to appoint one or more proxies to attend and vote at the General Meeting on your behalf. You will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. Whether or not you propose to attend the General Meeting in person, you are

requested to complete and return the Form of Proxy to the Company's Registrar, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, so as to be received no later than 9.00am on 19 October 2011. Completion and return of a Form of Proxy will not stop you from attending the General Meeting and voting in person should you so wish.

7. Recommendation

The Independent Directors consider that the Resolution to be proposed at the General Meeting is in the best interests of the Company and the Shareholders as a whole and unanimously recommend that Shareholders vote in favour of the proposals, as the Directors intend to do in respect of their own beneficial holdings, representing 47 per cent. of the issued share capital of the Company.

Yours faithfully,

Nicholas Taylor
Non-Executive Director

APPENDIX

RELEVANT DEFINITIONS FROM THE COMPANY'S ARTICLES

“Capital and Reserves” means the total from time to time of:

- (a) the amount paid up (or credited as paid up) on the allotted share capital of the Company; and
- (b) the amount standing to the credit of the capital and revenue reserves, and profits and loss account of the Group (net of any negative balances) whether or not distributable;

all as shown in the relevant balance sheet:

“Adjusted Capital and Reserves” means Capital and Reserves after making such adjustments as may be appropriate:

- (a) to reflect any material variation in the amounts in Article 111.3 [the definition of Capital and Reserves] since the date of the relevant balance sheet. For these purposes, if any proposed allotment of Shares by the Company for cash has been underwritten, then those Shares shall be deemed to have been allotted and the amount of the subscription monies payable within six months after the date of allotment shall be deemed to have been paid up to the extent so underwritten on the date when the underwriting obligations in respect of such Shares became effective unconditionally;
- (b) to exclude:
 - amounts attributable to any of the issued equity share capital of any subsidiary undertaking which is not attributable, directly or indirectly, to the Company;
 - any provision for taxation (other than deferred taxation); and
 - the book value of goodwill and other intangible assets shown in the relevant balance sheet; and
- (c) to deduct the amount of any distribution declared, recommended or made by any Group Company to a person other than a Group Company out of profits taken into account for the purposes of calculating Adjusted Capital and Reserves (and not otherwise provided for in that calculation);

“cash deposited” means the total amount beneficially owned by Group Companies which are deposited for the time being with any bank or equivalent institution and are repayable on or within three months of demand, subject, in the case of amounts deposited by a partly owned subsidiary undertaking, to the exclusion of a proportion equal to the proportion of its issued equity share capital which is not attributable, directly or indirectly, to the Company;

“Group” means the Company and its subsidiary undertakings;

“Group Company” means any company in the Group;

“Borrowings” include:

- (a) the principal amount of any debenture, borrowings or liabilities of any person, not being owed to any Group Company, the payment or repayment of which is the subject of a guarantee or indemnity by a Group Company or is secured on the assets of a Group Company;
- (b) the principal amount raised by any Group Company by acceptances or under any acceptance credit opened on its behalf by any bank or acceptance house other than acceptances and acceptance credits relating to the procurement of goods or services in the ordinary course of trade and outstanding for six months or less;
- (c) the principal amount of any debenture (whether secured or unsecured) of any Group Company owned otherwise than by a Group Company;
- (d) the principal amount of any preference and/or redeemable share capital of any subsidiary undertaking owned otherwise than by a Group Company;
- (e) any fixed or minimum premium payable on final repayment of any sum which is included in the Borrowings;
- (f) any fixed amount in respect of a hire-purchase agreement or of a finance lease or equivalent arrangement payable by a Group Company which would be shown as an obligation in a balance sheet prepared in accordance with the accounting principles used in the preparation of the relevant balance sheet; and
- (g) any agreement or arrangement having equivalent effect to borrowings or to the provision of finance to a Group Company;

but do not include:

- (h) moneys borrowed by any Group Company for the purpose of repaying any Borrowing, within six months of being first borrowed, pending their application for that purpose;
- (i) moneys borrowed by any Group Company for the purpose of financing liability owed to a Group Company which is guaranteed or insured unconditionally by a bank, insurance company or equivalent person;
- (j) moneys borrowed by any company which were outstanding when it became a Group Company, provided that it became a Group Company during the six months preceding the calculation; and
- (k) the proportion of money borrowed by a Group Company (and not owing to another Group Company) which is equal to the proportion of its issued equity share capital not attributable, directly or indirectly, to the Company;

“relevant balance sheet” means the latest published audited balance sheet of the Group, consolidated where applicable;

“subsidiary undertaking” means a subsidiary undertaking (within the meaning of the Companies Act 2006) of the Company (except a subsidiary undertaking which is excluded from consolidation by virtue of sections 402 and 405 of the Companies Act 2006); **“Group”** and **“Group Company”** include subsidiary undertakings unless so excluded from consolidation, and **“equity share capital”** shall be construed in relation to a subsidiary undertaking without a share capital in the same way as **“Shares”** are defined in relation to an undertaking without a share capital under section 1161 of the Companies Act 2006.

MAINTEL HOLDINGS PLC

(Incorporated and registered in England with registered number 3181729)

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Maintel Holdings Plc (the “**Company**”) will be held at the offices of Cobbetts LLP, 70 Gray’s Inn Road, London, WC1X 8BT at 9.00am on 21 October 2011 to consider and, if thought fit, pass the following resolution as a special resolution:

SPECIAL RESOLUTION

THAT (a) Article 111.2 of the Company’s Articles of Association be deleted in its entirety and be replaced with the following new Article 111.2:

111.2 The Board shall restrict the Borrowings of the Company and (so far as within its powers) the borrowings of its subsidiary undertakings so as to procure that the aggregate principal amount at any one time outstanding in respect of Borrowings by the Group (exclusive of money borrowed by one Group Company from another and after deducting cash deposited) shall not at any time, exceed three times the Capital and Reserves, or such greater or lesser figure as the Company may from time to time fix by ordinary resolution.

and (b) the definition of “Adjusted Capital and Reserves” in Article 111.3.2 be deleted and any references in Article 111 to “Adjusted Capital and Reserves” be replaced by “Capital and Reserves”.

Dated: 4 October 2011

Registered Office:

61 Webber Street
London
SE1 0RF

By order of the Board:

W D Todd
Secretary

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the General Meeting. A proxy need not be a shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice.
2. To be valid, the Form of Proxy must be received by the Company's Registrar, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol BS99 6ZY by no later than 9.00am on 19 October 2011.
3. The return of a completed Form of Proxy will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.
4. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered in the register of members of the Company as at 6.00pm on 20 October 2011 shall be entitled to attend and vote at the General Meeting in respect of the number of shares registered in their name at such time. If the General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6.00pm on the day preceding the date fixed for the adjourned meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
5. As at 4 October 2011 (being the date of publication of this document), the Company's issued share capital consists of 10,486,800 Ordinary Shares each carrying one vote. Therefore, the total voting rights in the Company as at 4 October 2011 are 10,486,800. 177,778 Ordinary Shares will be issued as part of the Acquisition consideration.
6. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then, on a poll, those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above. In particular, the Company notes the recommendation of the Institute of Chartered Secretaries and Administrators that corporate shareholders intending to vote part(s) of their shareholdings in different ways appoint proxies rather than corporate representatives.